

**Amendments to the Claims:**

This listing of claims will replace all prior versions, and listings, of claims in the application:

**Listing of Claims:**

Claim 1 (previously presented)

A method of manufacturing a security thread or strip introduceable in banknotes, said security thread or strip having a microchip, comprising the steps of:

- providing a support material on a substrate to form a thread or strip;
- softening said support material, by heating said support material;
- depositing a microchip on or at least partly in the softened support material; and
- curing said support material, by cooling said support material.

Claim 2 (previously presented)

The method of manufacturing a security thread according to claim 1, wherein said support material is at least one of a heat-sensitive material, a thermoplastic material containing a resin having a low melting point, a wax, a vinyl-polymer, a polyurethane or any polymer or compound distributed in water based solvents or in any solvent that has the characteristics to modify its state from solid to soft.

Claim 3 (previously presented)

The method of manufacturing a security thread according to claim 1, wherein, in the step of softening said support material, the support material is heated by at least one of contact with a heating means, by heat radiation, by an infrared beam, by ultraviolet beam and by laser beam.

Claim 4 (previously presented)

The method of manufacturing a security thread according to claim 1, wherein, in the step of depositing said microchip, the microchip falls on the softened support material and sinks at least partly into the support material by its own gravity.

Claim 5 (previously presented)

The method of manufacturing a security thread according to claim 1, wherein, in the step of depositing said support chip, said microchip is positioned on the support material, and thereafter, when the support material is still soft, the microchip is pressed into the support material by a pressing means.

Claim 6 (previously presented)

The method of manufacturing a security thread according to claim 1, comprising a step of winding up the security thread around a spool.

Claim 7 (previously presented)

The method of manufacturing a security thread according to claim 6, wherein a timing of softening said support material, depositing said microchip and/or curing said support material is set in accordance to a winding operation of the spool.

Claim 8 (previously presented)

The method of manufacturing a security thread according to claim 6 or claim 7, wherein said spool is a watermarking cylinder which has register notches and transports the security thread into a paper compound, and said timing of softening said support material, depositing said microchip and/or curing said support material is set in accordance to a detection of said register notches.

Claims 9-17 (cancelled)